

VALUE-ADDED PRODUCER GRANT (VAPG)

Quick Reference Fact Sheet

This is a grant-only program of Rural Development used to help independent agricultural producers enter into value-added activities.

Eligibility

Eligible applicants are:

- Independent producers
- Agricultural producer groups
- Farmer or rancher cooperatives
- Majority-controlled, producer-based business ventures

⇒ Ventures where more than 50% of the ownership and control is held by Independent Producers, or, partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent producers.

Grant Limits

The maximum amount of federal funds awarded for planning grants and working capital grants is published in the NOSA each year (Notice of Solicitation of Funds). However, priority points will be given to grant requests of less than the maximum. The applicant must have an equivalent match for grant funds, which may be in the form of a line of credit from a lender. Grant funds may be used to pay up to 50 percent of the costs for carrying out relevant projects. Grant funds and the applicant's matching funds must be spent at approximately the same rate.

Eligible Purpose

There are two types of eligible VAPG projects Planning Grants and Working Capital Grants. An application may be for either a Planning Grant or a Working Capital Grant, but not both.

PLANNING PROJECTS

Grant funds and the recipient's matching funds may be used to develop a business plan or conduct a feasibility study to establish a viable marketing opportunity for a value-added producer including, but not limited to:

1. Conduct, or hire a qualified consultant to conduct, a feasibility analysis of the proposed value added project to help determine the potential success of the project;
2. Develop, or hire a qualified consultant to develop, a business operations plan that provides comprehensive detail on the management, planning and other operational aspects of the proposed project; and
3. Develop, or hire a qualified consultant to develop, a marketing plan for the proposed Value-Added product(s) including the identification of a market window, potential buyers, a description of the distribution system and possible promotional campaigns;

On the web at www.rurdev.usda.gov/fl

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WORKING CAPITAL PROJECTS

Grant funds and the recipient's matching funds may be used to provide capital to establish alliances or business ventures that allow the producer of the Value-Added agricultural product to better compete in domestic or international markets. These uses include, but are not limited to, the following:

1. Establish a working capital account to fund operations prior to obtaining sufficient cash flow from operations;
2. Hire counsel to provide legal advice and to draft organizational and other legal documents related to the proposed venture;
3. Hire a Certified Public Accountant or other qualified individual to design an accounting system for the proposed venture; and
4. Pay salaries, utilities and other operating costs such as inventory financing, the purchase of office equipment, computers and supplies and finance other related activities.

Application Requirements

1. Forms SF 424, 424A, 424B
2. Title Page
3. Table of Contents
4. Executive Summary
5. Eligibility Discussion

6. Proposal Narrative
7. Certification of Matching Funds
8. Verification of Matching Funds

Specific application information and deadlines can be found in the NOSA, which is published in the Federal Register each year.

Application Process

Applications should be submitted electronically at www.grants.gov. Paper applications must be submitted to the Rural Development office at the address listed in the NOSA. The address, telephone, and fax numbers for the Florida contact are as follows:

Mr. Joseph M. Mueller,
RBS Program Director
USDA, Rural Development
4440 NW 25th Place
Gainesville, FL 32606
Phone: 352-338-3482

For more information on the VAPG, including NOSA information, regulation updates, and application information, visit the value-added website at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

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